

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Calnev Pipe Line, LLC (PLC-1) for authority pursuant to Public Utilities Code Section 455.3, to increase its rates for intrastate pipeline transportation services.

Application 13-07-013
(Filed July 19, 2013)

DECISION GRANTING APPLICATION OF CALNEV PIPE LINE, LLC TO INCREASE ITS RATES FOR INTRASTATE PIPELINE TRANSPORTATION SERVICES PURSUANT TO PUBLIC UTILITIES CODE SECTION 455.3**Summary**

We approve the unopposed application of Calnev Pipe Line, LLC for authority to increase its rates for transportation by pipeline of refined petroleum products within California by 44.92% to 51.92%, or a total of \$846,000, effective the date this Decision is approved by the Commission.

1. Background

Calnev Pipe Line, LLC (Calnev) seeks approval to increase its rates for intrastate pipeline transportation of refined petroleum products within California by 44.92% to 51.92% pursuant to Section 454.¹ Section 454 provides in relevant part "... a public utility shall not change any rate ... except upon a showing before the commission and a finding by the commission that the new rate is justified."

¹ All statutory references are to the Public Utilities Code unless otherwise indicated.

The requested rate increase will raise Calnev's intrastate pipeline rates by \$846,000 per year. This will result in changing Calnev's achieved return on investment from minus twenty-eight and thirty-five one-hundredths percent (-28.35%) to minus sixteen and twenty-two one-hundredths percent (-16.22%), reducing its losses but not generating any return on investment.

No protests were filed to Application (A.) 13-07-013. Calnev's rate request is not adverse to the public interest.

2. Jurisdiction

Section 701 provides "The Commission may supervise and regulate every public utility in the State and may do all things ... which are necessary and convenient in the exercise of such power and jurisdiction."

3. Safety Considerations

This application involves only rates and does not impact the use of the applicant's pipeline in any way. As such, the application poses no new safety considerations.

4. Categorization and Need for Hearing

In ALJ Resolution 176-3318 adopted July 25, 2013, the proceeding was preliminarily categorized as ratesetting, and it was preliminarily determined that hearings were necessary. We confirm the preliminary categorization but determine that hearings are not necessary in conjunction with this unopposed application.

5. Waiver of Comment Period

No protests were filed to the Application and no hearing was held. Today's decision grants the relief requested in an uncontested matter. Accordingly, pursuant to Rule 14.6(c)(2),² the otherwise applicable 30-day period for public review and comment is waived.

6. Assignment of Proceeding

Michael R. Peevey is the assigned Commissioner and Dan H. Burcham is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The increases proposed in this application for intrastate transportation of refined petroleum products will increase Calnev's revenues by \$846,000, resulting in a change in the applicant's achieved rate of return from (-28.35%) to (-16.22%), reducing the applicant's losses but not generating a return on investment.
2. On July 19, 2013, Calnev gave the required 30 days' notice of its intention to raise rates for the intrastate transportation of refined petroleum products.
3. On July 19, 2013, Calnev filed this application for approval to raise rates for the intrastate transportation of refined petroleum products.
4. No protests were filed to this application.

² All references to Rule or Rules refer to the Commission's Rules of Practice and Procedure, unless otherwise indicated.

5. Calnev was most recently approved for a rate increase of 9.99% effective November 1, 2011.³

6. If this application is approved, Calnev's projected revenues will recover less than three-fourths of Calnev's projected annual operating expenses.⁴

7. This application applies only to rates and poses no new safety considerations.

8. Calnev's rate request is not adverse to the public interest.

Conclusions of Law

1. Calnev Pipe Line, LLC is an oil pipeline corporation as that term is defined in section 455.3.

2. Oil pipeline corporations are authorized by section 454 to change rates only upon a showing before the Commission and a finding by the Commission that the new rate is justified.

3. Calnev Pipe Line, LLC has shown that the proposed rate increases are justified.

4. Hearings are not necessary.

5. The application should be approved and should be closed.

O R D E R

IT IS ORDERED that:

1. The Application of Calnev Pipe Line, LLC to increase its rates for intrastate transportation of refined petroleum products by \$846,000 effective as of the date this Decision is approved.

³ Decision 12-01-004 to Application (A.) 11-09-018.

⁴ A.13-07-013 at 8.

2. Calnev Pipe Line, LLC shall file a Tier 1 Advice Letter notifying the Commission of the rate changes and associated tariffs approved herein no later than 30 days following the date of this decision.

3. Hearings are not necessary.

4. Application 13-07-013 is closed.

This order is effective today.

Dated _____, at San Francisco, California.